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FROM THE U.S. MISSION TO THE UN AGENCIES IN ROME

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TAGS: [AORC](#) [ABUD](#) [UNIDROIT](#)

SUBJECT: UNIDROIT SUB-FINANCE COMMITTEE DISCUSSES DEPUTY

SECRETARY GENERAL POSITION

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REF: A) 5/30 Berton/Burman e-mail B) 5/9 Berton/Burman e-mail

1. Summary: the sub-Finance Committee of the International Institute for the Unification of Private Law (UNIDROIT) met on June 9 to discuss the hiring of a Deputy Secretary General for the organization. The meeting was a result of an April 2005 Governing Council recommendation to accept a UK-offer of 50,000 pounds to stage an open competition for the post. Discussion centered on the budget consequences of this one-time offer, particularly in the years after 2006. No clear consensus was reached and the sub-committee requested additional information from the Secretariat regarding where additional funds might be found for the out years. End Summary.

2. The issue first surfaced at the April Governing Council session, when the UK offered a one-time contribution of 50,000 pounds (approximately 70,000 euros), to be earmarked for the hiring of a Deputy Secretary General. The offer made no allowances for the

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out years and was conditioned on the hiring procedure for the new Deputy SYG being an open competition (because of budget shortfalls, the organization had planned to temporarily appoint the senior Research Officer to the position). In making its recommendation, the Governing Council acknowledged that the one-time nature of the contribution might force UNIDROIT to limit the contract term offered to any prospective candidate to one year. Committee members were invited to make comments (ref B) prior to the meeting. Canada, France and Germany all offered comments, primarily related to the implication for budgets in the years 2007 and beyond, as well as stating a concern about the limited pool of applicants should only a one-year contract be offered.

3. The subcommittee met at the request of Chairman Luis Cuesta (Spain) and UNIDROIT Secretary General Herbert Kronke. Canada, France, Germany, Italy, Spain and the UK attended, in addition to the U.S. The SYG laid out the 2006 budget scenario first, indicating that the extra 50,000 pounds would cover all previously budgeted expenses plus the cost of hiring a new Deputy SYG, so long as the new Deputy was single with no children (a lower compensation scale applies). To maintain the Deputy post for 2007, however, assessed dues for all member states would have to be increased by an estimated 4.2 percent, not even taking into account the inclusion in the regular program budget of the mandated depositary function of the Cape Town Convention. The SYG added that the willingness of the previous Deputy SYG to work full-time for half-time pay (mentioned in prior reporting cables) probably saved the organization 350,000 euros over the past four years, and now the organization is finding it difficult to cover the actual cost of a full-time employee from a resource base that is lower than it otherwise should have been.

4. While there was general support for the concept of an open competition, participants were unanimous in their concern for the out years and in their desire for all such recurring budgetary needs to be covered by the regular program budget. While Italy, the largest donor, was somewhat flexible on the subject of budget increases, Germany stated that no new resources would be forthcoming and Canada joined the U.S. in reiterating its ZNG policy for international organizations. USDEL, supported by Canada, stated that a budget increase of 4.2 percent would simply not fly. USDEL acknowledged that it would be difficult to simply say 'no' to a gift of 50,000 pounds, but noted that there was insufficient information regarding how further savings might be found, including the possibility of program cuts, to make an informed

decision regarding the UK contribution. . The UK rep was quiet, other than to re-state that the contribution was a one-time, time-limited offer and that there would be no guarantee of any future contribution.

15. While no clear consensus was reached, the committee agreed that it was difficult to refuse the 50,000 pounds, and the competition is proceeding. Meanwhile, the SYG is preparing additional documentation related to the budget implications, including how the limited budget will affect the strategic plan of the organization.

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